

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-03512A  
Pine Water Co., Inc.  
% Brooke Utilities, Inc.  
P.O. Box 82218  
Bakersfield, CA 93380

RECEIVED

MAY 16 2008

AZ CORP COMMISSION  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
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FOR COMMISSION USE

ANN04	07
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5-16-08

## COMPANY INFORMATION

**Company Name (Business Name):** Pine Water Co., Inc.

**Mailing Address:** P.O. Box 82218  
(Street)

Bakersfield CA 93380  
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** customerservicecenter@brookeutilities.com or mistiej@brookeutilities.com

**Local Office Mailing Address:** 1010 S. Stover Rd.

Payson Arizona 85541  
(City) (State) (Zip)

928-447-8130 928-472-8747  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** davida@brookeutilities.com

## MANAGEMENT INFORMATION

**Management Contact:** Robert T. Hardcastle Managing Member  
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380  
(Street) (City) (State) (Zip)

661-633-7526 800-748-6981  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** rth@brookeutilities.com

**On Site Manager:** David Allred  
(Name)

1010 S. Stover Rd. Payson AZ 85541  
(Street) (City) (State) (Zip)

928-447-8130 928-472-8747  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** davida@brookeutilities.com

☒ **Please mark this box if the above address(es) have changes or are updated since the last filing.**

**Statutory Agent:** Robert T. Hardcastle  
(Name)

P.O. Box 82218  
(Street)

Bakersfield  
(City)

CA  
(State)

93380  
(Zip)

661-633-7526

800-748-6981

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Jay Shapiro with Fennemore Craig  
(Name)

3003 N. Central Ave. Ste. 2600  
(Street)

Phoenix  
(City)

AZ  
(State)

85012  
(Zip)

602-916-5000

602-916-5566

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email address:** JLShapiro@fclaw.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☒ **Limited Liability Company**

☐ **Other (Describe)**

### **COUNTIES SERVED**

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> <b>APACHE</b>	<input type="checkbox"/> <b>COCHISE</b>	<input type="checkbox"/> <b>COCONINO</b>
<input checked="" type="checkbox"/> <b>GILA</b>	<input type="checkbox"/> <b>GRAHAM</b>	<input type="checkbox"/> <b>GREENLEE</b>
<input type="checkbox"/> <b>LA PAZ</b>	<input type="checkbox"/> <b>MARICOPA</b>	<input type="checkbox"/> <b>MOHAVE</b>
<input type="checkbox"/> <b>NAVAJO</b>	<input type="checkbox"/> <b>PIMA</b>	<input type="checkbox"/> <b>PINAL</b>
<input type="checkbox"/> <b>SANTA CRUZ</b>	<input type="checkbox"/> <b>YAVAPAI</b>	<input type="checkbox"/> <b>YUMA</b>
<input type="checkbox"/> <b>STATEWIDE</b>		

**COMPANY NAME: PINE WATER COMPANY, INC**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	16,084	2,950	13,134
304	Structures and Improvements	162,134	120,917	41,217
307	Wells and Springs	178,569	57,671	120,898
311	Pumping Equipment	150,342	89,740	60,602
320	Water Treatment Equipment	6,168	1,817	4,351
330	Distribution Reservoirs and Standpipes	248,032	205,151	42,881
331	Transmission and Distribution Mains	1,006,754	820,748	186,006
333	Services	70,981	59,257	11,724
334	Meters and Meter Installations	295,054	126,109	168,945
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	5,538	72	5,466
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	3,397	184	3,213
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,913	95	2,818
	<b>TOTALS</b>	<b>2,145,966</b>	<b>1,484,711</b>	<b>661,255</b>

This amount goes on the Balance Sheet Acct. No.108 

**COMPANY NAME: PINE WATER COMPANY, INC**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	16,084	1.79%	288
304	Structures and Improvements	162,134	2.61%	4,232
307	Wells and Springs	178,569	0.97%	1,729
311	Pumping Equipment	150,342	2.80%	4,210
320	Water Treatment Equipment	6,168	2.63%	162
330	Distribution Reservoirs and Standpipes	248,032	2.62%	6,498
331	Transmission and Distribution Mains	1,006,754	2.51%	25,309
333	Services	70,981	2.58%	1,830
334	Meters and Meter Installations	295,054	2.58%	7,616
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	5,538		73
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	3,397		89
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,913	0.45%	13
	<b>TOTALS</b>	<b>2,145,966</b>	<b>2.43%</b>	<b>52,049</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No.403.

**COMPANY NAME: PINE WATER COMPANY, INC**

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	29,791	78,263
146	Notes/Receivables from Associated Company	3,864	
151	Plant Materials and Supplies		
162	Prepayments	23,399	
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 57,054</b>	<b>\$ 78,263</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 2,120,088	\$ 2,145,966
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(1,432,661)	(1,484,711)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 687,427</b>	<b>\$ 661,255</b>
	<b>DEFERRED INCOME TAX DEBITS</b>	<b>\$ 369,000</b>	<b>\$ 369,000</b>
	<b>TOTAL ASSETS</b>	<b>\$ 1,113,481</b>	<b>\$ 1,108,518</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page

**COMPANY NAME: PINE WATER COMPANY, INC**

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	576,890	783,320
235	Customer Deposits	33,578	31,175
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	14,124	23,855
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 624,592</b>	<b>\$ 838,350</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-term Notes and Bonds	\$ -	\$ -
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 68,681	\$ 58,674
252	Advances in Aid of Construction	12,057	
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	958,323	958,323
272	Less: Amortization of Contributions	(591,747)	(615,950)
281	Accumulated Deferred Income Taxes		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 447,314</b>	<b>\$ 401,047</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 1,071,906</b>	<b>\$ 1,239,397</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 321,823	\$ 321,823
211	Paid In Capital in Excess of Par Value	584,935	584,935
215	Retained Earnings	(865,183)	(1,037,637)
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 41,575</b>	<b>\$ (130,879)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 1,113,481</b>	<b>\$ 1,108,518</b>

**COMPANY NAME: PINE WATER COMPANY, INC**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 785,326	\$ 762,902
460	Unmetered Water Revenue		
474	Other Water Revenues	61,863	8,925
	<b>TOTAL REVENUES</b>	<b>\$ 847,189</b>	<b>\$ 771,827</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 118,991	\$ 134,286
610	Purchased Water	109,704	103,363
615	Purchased Power	38,508	121,170
618	Chemicals	1,635	1,463
620	Repairs & Maintenance	33,273	
621	Office Supplies and Expense	26	1,934
630	Outside Services	78,180	324,287
635	Water Testing	4,760	13,428
641	Rents	240	3,600
650	Transportation Expenses	26,605	107,105
657	Insurance - General Liability		
659	Insurance - Health and Life	8,893	9,305
666	Regulatory Commission Expense - Rate Case	3,120	2,992
675	Miscellaneous Expense	83,924	219,404
403	Depreciation Expense	51,571	52,183
408	Taxes Other Than Income	48,968	47,452
408.11	Property Taxes	25,938	41,041
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 634,336</b>	<b>\$ 1,183,013</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 212,853</b>	<b>\$ (411,186)</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income	1,193	240,245
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,452)	(1,513)
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ (259)</b>	<b>\$ 238,732</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 212,594</b>	<b>\$ (172,454)</b>



**COMPANY NAME: PINE WATER CO., INC.**

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

**COMPANY NAME: PINE WATER CO., INC.**

**Name of System: Pine Water System**

**ADEQ Public Water System Number: PWS 04-034**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
None	N/A	N/A

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

**COMPANY NAME: PINE WATER CO., INC.**

**Name of System: Pine Water System    ADEQ Public Water System Number: PWS 04-034**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

**COMPANY NAME: PINE WATER CO., INC.**

**Name of System: Pine Water System      ADEQ Public Water System Number: PWS 04-034**

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>	<b>GALLONS PURCHASED (Thousands)</b>
<b>JANUARY</b>				
<b>FEBRUARY</b>				
<b>MARCH</b>				
<b>APRIL</b>				
<b>MAY</b>				
<b>JUNE</b>				
<b>JULY</b>				
<b>AUGUST</b>				
<b>SEPTEMBER</b>				
<b>OCTOBER</b>				
<b>NOVEMBER</b>				
<b>DECEMBER</b>				
<b>TOTAL</b>				

**What is the level of arsenic for each well on your system? \_\_\_\_\_Mg/l**

*(If more than one well, please list each separately.)*

**If system has fire hydrants, what is the fire flow requirement? \_\_\_\_\_GPM for \_\_\_\_\_hrs**

**If system has chlorination treatment, does this treatment system chlorinate continuously?**

☐ Yes

☐ No

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☐ Yes

☐ No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

☐ Yes

☐ No

**If yes, provide the GPCPD amount:\_\_\_\_\_**

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**COMPANY NAME: PINE WATER CO., INC.**

**YEAR ENDING 12/31/2007**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED

MAY 15 2008

**VERIFICATION**

**STATE OF California**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	<b>Kern</b>
NAME (OWNER OR OFFICIAL) TITLE	<b>Robert T. Hardcastle</b>
COMPANY NAME	<b>PINE WATER CO., INC.</b>

*AZ CORP COMMISSION  
Director Utilities*

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

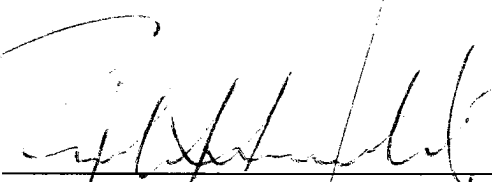
MONTH	DAY	YEAR
<b>12</b>	<b>31</b>	<b>2007</b>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
**6616337526**  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

**DAY OF**

COUNTY NAME
MONTH <b>20</b>

**(SEAL)**

**MY COMMISSION EXPIRES** \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

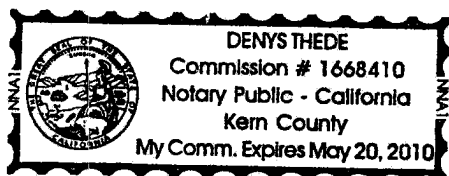
# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Kern

ss.

On May 14, 2008, before me, Denys Thede, Notary Public, personally appeared Robert T. Hardcastle, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

A handwritten signature in cursive script, appearing to read 'Denys Thede', written over a horizontal line.

OPTIONAL

## Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of pages: \_\_\_\_\_

Signer(s) other than named above: \_\_\_\_\_

## Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

- ☐ Individual
- ☐ Corporate Officer - Title(s): \_\_\_\_\_
- ☐ Partner - ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: \_\_\_\_\_

Right thumbprint of  
signer

Top of thumb here

Signer is representing: \_\_\_\_\_

**COMPANY NAME: PINE WATER CO., INC.**

**YEAR ENDING 12/31/2007**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	
Estimated or Actual Federal Tax Liability	\$	0
State Taxable Income Reported	\$	
Estimated or Actual State Tax Liability	\$	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**

5-14-08  
\_\_\_\_\_  
**DATE**

Robert T Handcock  
\_\_\_\_\_  
**PRINTED NAME**

President  
\_\_\_\_\_  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

MAY 15 2008

ARIZONA CORP COMM  
Director Utilities

**VERIFICATION**

**STATE OF California**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)
<b>Kern</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>Robert T. Hardcastle</b>
COMPANY NAME: PINE WATER CO., INC.
<b>PINE WATER CO., INC.</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2007

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

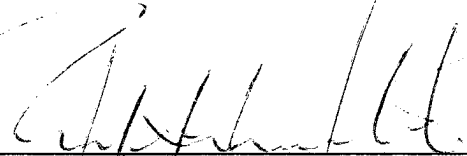
**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 995,185.15

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
(661) 633-7526  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**  **DAY OF**

**(SEAL)**

COUNTY NAME	
MONTH	20__

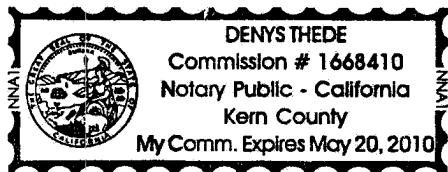
**MY COMMISSION EXPIRES** \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of Kern } ss.

On May 14, 2008, before me, Denys Thede, Notary Public, personally appeared Robert T. Hardcastle, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

A handwritten signature in dark ink, appearing to read "Denys Thede", written over a horizontal line.

OPTIONAL

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of pages: \_\_\_\_\_

Signer(s) other than named above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- ☐ Individual
- ☐ Corporate Officer - Title(s): \_\_\_\_\_
- ☐ Partner - ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: \_\_\_\_\_

Right thumbprint of  
signer

Top of thumb here

Signer is representing: \_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

RECEIVED

MAY 15 2008

AZ CORP COMM

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

COUNTY OF (COUNTY NAME) KERN		Director Utilities
NAME (OWNER OR OFFICIAL)	ROBERT T. HARDCASTLE	TITLE : MANAGING MEMBER
COMPANY NAME: PINE WATER CO., INC.		

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

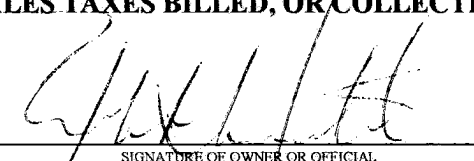
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 995,185.15

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL  
6616337526  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

--

**DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	.20__

X

SIGNATURE OF NOTARY PUBLIC

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

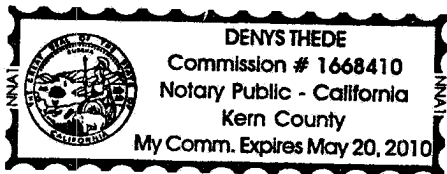
State of California

County of Kern

ss.

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WITNESS my hand and official seal.



\_\_\_\_\_

OPTIONAL

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Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of pages: \_\_\_\_\_

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Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer - Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Right thumbprint of  
signer

Top of thumb here

Signer is representing: \_\_\_\_\_

22943

NOT NEGOTIABLE

22943

WELLS FARGO BANK, N.A.

CHECK NO.

11-24  
1210(8)

DATE

AMOUNT

PAY  
TO THE  
ORDER  
OF

WELLS FARGO BANK, N.A.  
1000 BOX 1000  
WELLS, WY  
80401

NOT NEGOTIABLE

WELLS FARGO BANK, N.A.

LEGAL DESCRIPTION: SECTION	TWN	RNG	ACRES	USE
TOTAL VALUE OF OPERATING PROPERTY				5500
301-08-201-A	500	301-13-009	13,268	
301-13-028	2,700	301-13-034	1,000	
301-13-036	1,000	301-14-070	500	
301-16-062	1,275	301-18-334	1,700	
301-21-062-C	765	301-21-063-B	800	
301-21-069	345	301-23-048	550	
301-23-049	13,206	301-28-008-Y	2,950	

TAX ROLL NUMBER	36387
PARCEL IDENTIFICATION	902-31-276 7
TAX AREA CODE	1276

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2006 TAX NOTICE AND PAYMENT INSTRUCTIONS.

902-31-276 7 36387  
PINE WATER COMPANY  
C/O ROBERT T HARDCASTLE  
P O BOX 82218  
BAKERSFIELD CA 93380

ACCT # H607.8 \$ X  
ACCT # \_\_\_\_\_ \$ \_\_\_\_\_  
ACCT # \_\_\_\_\_ \$ \_\_\_\_\_  
ACCT # \_\_\_\_\_ \$ \_\_\_\_\_  
DESC: pay 2nd half and submit w/stub  
APPROVED BY: MF  
DATE: 05-2659 10/1/06

2006 TAX SUMMARY (3)	
PRIMARY AD VALOREM TAX	3001150
LESS STATE AID TO EDUCATION	00
NET PRIMARY AD VALOREM TAX	3001150
SECONDARY AD VALOREM TAX	1093702
SPECIAL DISTRICT TAX	00

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	4094852
HALF TAX	2047426

DELINQUENT DATES  
1st HALF NOV. 1, 2006  
2nd HALF MAY 1, 2007

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)						
ITEM	LIMITED VALUE	ASSMT.%	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND,BLDGS,ETC.	185412	245	45426	0	86692	393809
PERSONAL PROPERTY	1227588	245	300759	0	86692	2607341
TOTALS	1413000		346185	0		3001150

SECONDARY PROPERTY TAX CALCULATION (2)						
ITEM	FULL CASH VALUE	ASSMT.%	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	79430	245	19460	0	31593	61480
BLDGS,ETC.	105982	245	25966	0	31593	82034
PERSONAL PROPERTY	1227588	245	300759	0	31593	950188
TOTALS	1413000		346185	0		1093702

2005-2006 TAX COMPARISON (4)						
TAX CODE	TAX JURISDICTION	2006 PRIMARY	2006 SECONDARY	2006 TOTAL	2005 TOTAL	DIFFERENCE
32000	GILA COUNTY	1505491	00	1505491	1508225	-2734
32002	STATE SCHOOL TAX EQUALIZATION	00	00	00	149044	-149044
05012	PINE SD #12	1280989	00	1280989	1057569	223420
08150	COMMUNITY COLLEGE	214670	00	214670	215050	-380
11205	PINE-STRAWBERRY FD	00	954674	954674	927746	26928
11900	FIRE DISTRICT ASSISTANCE FUND	00	34619	34619	34201	418
14900	GILA COUNTY LIBRARY DISTRICT	00	69237	69237	68400	837
16040	PINE STRAWBERRY WID	00	35172	35172	182423	-147251
	TOTALS	3001150	1093702	4094852	4142658	-47806

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502  
  
PINE WATER COMPANY  
P O BOX 82218  
BAKERSFIELD CA93380

TAX ROLL NUMBER	36387
PARCEL IDENTIFICATION	902-31-276 7
TAX AREA CODE	1276

RECEIPT REQUESTED ( )

\*IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2006 2ND HALF COUPON

TO PAY 2ND HALF	PAY	20,474.26
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NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2007



0490231276007200600002047426

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

PRIS KNUCKEY-RALLS  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502  
  
PINE WATER COMPANY  
P O BOX 82218  
BAKERSFIELD CA93380

TAX ROLL NUMBER	36387
PARCEL IDENTIFICATION	902-31-276 7
TAX AREA CODE	1276

RECEIPT REQUESTED ( )

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2006 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	20,474.26
TO PAY FULL YEAR TAX	PAY	40,948.52

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2006



0490231276007200600002047426

PO BOX 74301 FALLOON IOWA 52571-0301

TAX ROLL NUMBER	36815
PARCEL IDENTIFICATION	902-31-200 6
TAX AREA CODE	1200

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2007 TAX NOTICE AND PAYMENT INSTRUCTIONS.

*Co #14  
Acct # H607.8  
Pay 2007 half only  
\$92.01*

2007 TAX SUMMARY (3)		
PRIMARY AD VALOREM TAX		177.68
LESS STATE AID TO EDUCATION		0.00
NET PRIMARY AD VALOREM TAX		177.68
SECONDARY AD VALOREM TAX		6.34
SPECIAL DISTRICT TAX		0.00

902-31-200 6 36815  
PINE WATER COMPANY  
C/O ROBERT T HARDCASTLE  
P O BOX 82218  
BAKERSFIELD CA 93380

06-2250

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	184.02
HALF TAX	92.01

DELINQUENT DATES

1st HALF NOV. 1, 2007  
2nd HALF MAY 1, 2008

THIS IS THE ONLY NOTICE YOU WILL RECEIVE  
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)						
ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	2.40	0	0	8.4246	0.00
PERSONAL PROPERTY	8786	2.40	2109	0	8.4246	177.68
TOTALS	8786		2109	0		177.68

SECONDARY PROPERTY TAX CALCULATION (2)						
ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	0	2.40	0	0	3.0000	0.00
BLDGS, ETC.	0	0	0	0	0	0.00
PERSONAL PROPERTY	8786	2.40	2109	0	3.0000	6.34
TOTALS	8786		2109	0		6.34

2006-2007 TAX COMPARISON (4)							
TAX CODE	TAX JURISDICTION	2007 PRIMARY	2007 SECONDARY	2007 TOTAL	2006 TOTAL	DIFFERENCE	
2000	GILA COUNTY	8668	00	8668	00	8668	
5012	PINE SD #12	7837	00	7837	00	7837	
8150	COMMUNITY COLLEGE	1263	00	1263	00	1263	
1900	FIRE DISTRICT ASSISTANCE FUND	00	212	212	00	212	
4900	GILA COUNTY LIBRARY DISTRICT	00	422	422	00	422	
TOTALS		17768	634	18402	00	18402	

PLEASE RETURN THIS PORTION WITH PAYMENT TO:  
DEBORA SAVAGE  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502  
PINE WATER COMPANY  
P O BOX 82218  
BAKERSFIELD CA93380  
RECEIPT REQUESTED ( )

IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.  
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2007 2ND HALF COUPON

TO PAY 2ND HALF	PAY	92.01
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NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2008

PLEASE RETURN THIS PORTION WITH PAYMENT TO:  
DEBORA SAVAGE  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502  
PINE WATER COMPANY  
P O BOX 82218  
BAKERSFIELD CA93380  
RECEIPT REQUESTED ( )

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2007 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	92.01
TO PAY FULL YEAR TAX	PAY	184.02

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2007



GAL DESCRIPTION	SECTION	TW.	RNG	ACRES	USE
OTAL VALUE OF OPERATING					5500
01-08-201-A	500	301-13-009		13,268	
01-13-028	2,700	301-13-034		1,000	
01-13-036	1,000	301-14-070		500	
01-16-062	1,275	301-18-334		1,700	
01-21-062-C	765	301-21-063-B		800	
01-21-069	345	301-23-048		550	
01-23-049	13,206	301-28-008-Y		2,950	

TAX ROLL NUMBER	36816
PARCEL IDENTIFICATION	902-31-276 7
TAX AREA CODE	1276

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2007 TAX NOTICE AND PAYMENT INSTRUCTIONS.

902-31-276 7 36816  
PINE WATER COMPANY  
C/O ROBERT T HARDCASTLE  
P O BOX 82218  
BAKERSFIELD CA 93380

*Co #14 Act 00-05-7010-02*  
*Act # ~~111111~~ 111111*  
*Pay 1/2 for 2007*

2007 TAX SUMMARY (3)		
PRIMARY AD VALOREM TAX		29,584.7
LESS STATE AID TO EDUCATION		0
NET PRIMARY AD VALOREM TAX		29,584.7
SECONDARY AD VALOREM TAX		10,899.3
SPECIAL DISTRICT TAX		0

06-2251

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	40,484.0
HALF TAX	20,242.0

DELINQUENT DATES

1st HALF NOV. 1, 2007  
2nd HALF MAY 1, 2008

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PRIMARY PROPERTY TAX CALCULATION (1)							
ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX	
AND, BLDGS, ETC.	186,927	2.40	4,486.2	0	8.4246	3,779.45	
PERSONAL PROPERTY	127,628.8	2.40	3,063.09	0	8.4246	2,580.531	
TOTALS	146,321.5		3,511.71	0		29,584.76	

SECONDARY PROPERTY TAX CALCULATION (2)							
ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX	
LAND	79,430	2.40	1,906.3	0	3.1037	591.65	
BLDGS, ETC.	107,497	2.40	2,579.9	0	3.1037	800.73	
PERSONAL PROPERTY	127,628.8	2.40	3,063.09	0	3.1037	950.692	
TOTALS	146,321.5		3,511.71	0		10,899.30	

2006-2007 TAX COMPARISON (4)							
TAX CODE	TAX JURISDICTION	2007 PRIMARY	2007 SECONDARY	2007 TOTAL	2006 TOTAL	DIFFERENCE	
2000	GILA COUNTY	14,433.13	0.00	14,433.13	15,054.91	-621.7	
5012	PINE SD #12	13,049.17	0.00	13,049.17	12,809.89	239.2	
8150	COMMUNITY COLLEGE	2,102.46	0.00	2,102.46	2,146.70	-44.2	
1205	PINE-STRAWBERRY FD	0.00	9,362.57	9,362.57	9,546.74	-184.1	
1900	FIRE DISTRICT ASSISTANCE FUND	0.00	351.17	351.17	346.19	4.9	
4900	GILA COUNTY LIBRARY DISTRICT	0.00	702.35	702.35	692.37	9.9	
6040	PINE STRAWBERRY WID	0.00	483.21	483.21	351.72	131.4	
	TOTALS	29,584.76	10,899.30	40,484.06	40,948.52	-464.4	

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

DEBORA SAVAGE  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

TAX ROLL NUMBER	36816
PARCEL IDENTIFICATION	902-31-276 7
TAX AREA CODE	1276

RECEIPT REQUESTED ( )

PINE WATER COMPANY  
P O BOX 82218  
BAKERSFIELD CA93380

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SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.  
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2007 2ND HALF COUPON

PAY 2ND HALF	PAY	20,242.03
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TE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2008



0490231276007200700002024203

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

DEBORA SAVAGE  
GILA CO. TREASURER  
POST OFFICE BOX 1093  
GLOBE AZ 85502

TAX ROLL NUMBER	36816
PARCEL IDENTIFICATION	902-31-276 7
TAX AREA CODE	1276

RECEIPT REQUESTED ( )

PINE WATER COMPANY  
P O BOX 82218  
BAKERSFIELD CA93380

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2007 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	20,242.03
TO PAY FULL YEAR TAX	PAY	40,484.06

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2007



0490231276007200700002024203